Via e-mail

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AMERICAN FOREST & PAPER ASSOCIATION

GROWING WITH AMERICA SINCE 1861

DATE: June 27, 2005

TO: US Department of Defense

FROM: Sharon H. Kneiss
Vice President, Regulatory Affairs

Catherine Foley
Vice President, Paper Group

RE: Proposed Rule amending DFARS to add policy pertinent to package marking with passive RFID tags.

The American Forest & Paper Association (AF&PA) is pleased to submit these formal comments on the DOD initiative to encourage use of RFID tags at the case and palletized unit levels while recognizing the potential impact upon recycling these containers.

AF&PA is the national trade association of the forest, paper and wood products industry. AF&PA represents more than 200 companies and related associations that engage in or represent the manufacture of pulp, paper, paperboard and wood products. The forest products industry accounts for approximately 7 percent of total U.S. manufacturing output, employs 1.5 million people, and ranks among the top 10 manufacturing employers in 42 states.

We are working closely with our allied association, the Fibre Box Association to study the impact of RFID on recycling and would refer to the comments being submitted by that group to this request. As outlined in the FBA comments, we are currently studying the environmental impact of Passive RFID tags. Our studies are focusing on the materials in the same order that RFID tags will appear in significant quantities on Department of Defense materials, and we should have more specific results in coming months to review with the Department and other interested parties. Since the DOD Passive RFID Mandate and private sector requirements are first targeted to unit loads/pallets and cases, we expect to have initial results on carton board and corrugated. We will investigate both foil antenna made of aluminum or copper and printed silver based antenna, an evolving technology.

AF&PA appreciates the Department of Defense's concern over the potential impact of RFID technologies on recycling. We are proud of our industry's superior record in

working with our customers to facilitate new technologies such as RFID, and in maintaining an unrivaled recycling rate for products such as corrugated containers.

We look forward to working with the Department to present more information on this issue as it becomes available. DoD should in the future, before specifying any RFID technology not already evaluated, ensure that impacts on the recycling industry are fully understood and considered in the specification

Paper Industry Record on Recycling

Over the past two decades recovered fiber has become an integral component of the paper industry. Capital investment, raw material sourcing, and product design decisions now often include consideration of the use of recovered fiber. In the 1980's, we saw a great increase in the public's interest in recycling and a willingness to participate in collection programs spawned by concerns over possible landfill shortages and the media coverage given the "garbage barge" looking for a home for urban solid waste. In very short order cities across the country put in place residential curbside collection programs and offices sorted out the valuable white papers for sale to our mills.

The paper industry, led by AF&PA, responded by investing billions of capital dollars in facility upgrades, and by creating significant incremental paper recovery goals. In the early 1990's our industry pledged to recover for recycling 40 percent of all the paper consumed in the U.S. Not only did we meet this first goal, but have far surpassed it, reaching a record-high 50 percent recovery in 2003. We institutionalized the market for clean, sorted papers coming from residential and commercial users across the U.S. Given increasing demand for recovered fiber, the industry has set a new goal of 55 percent recovery by the year 2012.

Corrugated containers

Corrugated boxes offer one of the most efficient and effective packaging and transportation solutions to a myriad of end-users. From high tech equipment to fresh produce, corrugated boxes continue to be the preferred means of delivering goods – and for marketing and branding of products. Often the corrugated box is the first and only pictorial of the product presented to the buyer – determining final purchase or effective end-use.

As customer demand for creative product delivery solutions has increased, our industry has stepped forward to develop accompanying solutions. Most recently, demands for greater integration of RFID tagging and application has been at the forefront of the corrugated industry's attention. We are working with our own manufacturing members and our customers in various sectors to develop effective approaches to full application of the RFID technologies.

During our industry's annual meeting, which is attended by the major companies in the forest products industry, we have featured speakers from our customer retailers and leading technology experts presenting the latest information on RFID applications and development. In addition to these formal meetings we have on-going coordination efforts taking place throughout the supply chain to stay ahead of the rapid pace development of this technology.

Particularly noteworthy are the unique qualities (design flexibility, material strength, etc.) corrugated containers present to the use of RFID technology, allowing tagging and identification to be tailored to the particular use, product demands, and delivery system needs. Corrugated containers, while a centuries old method of delivery, continue to be a cutting-edge packaging alternative.

Corrugated Recycling

Corrugated boxes such as those targeted by this proposal enjoy one of the highest recycling rates of any material across all industries. Currently corrugated containers are recycled at a rate of more than 70 percent, often presenting a profit opportunity for retailers, particularly in the food industry, who collect, bale and sell their used containers. Our industry believes this percentage could climb even higher given our 55 % recovery goal and more focused efforts in the public and private sectors to recover corrugated containers and other paper for recycling. Particularly important to our industry is a clean, separated system allowing our manufacturing facilities to fully utilize these valuable raw materials with minimal waste.

Recently our recycling mills have been forced to meet the challenge of recovered paper supplies coming from municipal waste streams which do not provide a high degree of separation or sorted materials. These less separated waste streams bring a myriad of contamination issues which may reduce the efficiency of our production and possibly damage our equipment. It is critical to our industry that municipalities continue to offer efficient and effective recycling programs, regardless of the system of collection. The U.S. paper industry has to date met the challenges posed by the contaminants reaching our mills, and has found creative solutions to the ever evolving methods of handling waste paper.

We urge the Department to encourage all suppliers and internal agencies to develop aggressive recovery programs to capture corrugated materials, the subject of this rulemaking, as well as clean used copier and office papers.

RFID contamination issues

AF&PA was pleased to participate in the Office of the Federal Environmental Executive (OFEE)/US EPA conference to discuss challenges presented to recycling by RFID technologies on September 14, 2004. We applaud the Administration on the attention to

this current challenge, and agree to continue to work cooperatively on solutions to avoid any disruptions at our mills or other related areas.

Prior to the OFEE meeting, our industry recognized the potential challenge of contamination from the very technology we were working to incorporate into our packaging designs; that is, RFID tagging. As manufacturers of the corrugated containers used to carry the RFID tag, and as recyclers using the boxes as raw material in producing new containers, we are in a unique position to evaluate any potential impact of the new technology on production and recycling.